

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0136  
Expires: November 30, 2000

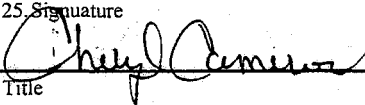
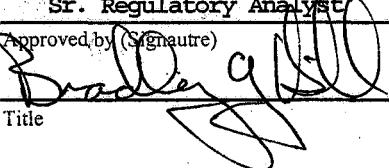
## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>U-01193</b>
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>Ute</b>
2. Name of Operator <b>Coastal Oil &amp; Gas Corporation</b>		7. Unit or CA Agreement Name and No. <b>Natural Buttes Unit</b>
3a. Address <b>P.O. Box 1148, Vernal, UT 84078</b>		8. Lease Name and Well No. <b>NBU #317</b>
3b. Phone No. (include area code) <b>(435)-781-7023</b>		9. API Well No. <b>N/A 43-047-33921</b>
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface <b>NE NE</b> At proposed prod. zone <b>1072' FNL &amp; 854' FEL</b>		10. Field and Pool, or Exploratory <b>Natural Buttes</b>
11. Sec., T., R., M., or Blk. and Survey or Area <b>Section 13-T9S-R21E</b>		12. County or Parish <b>Utah</b>
14. Distance in miles and direction from nearest town or post office* <b>18.6 Miles Southeast of Vernal, Utah</b>		13. State <b>Utah</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) <b>854'</b>	16. No. of Acres in lease <b>1920.00</b>	17. Spacing Unit dedicated to this well <b>N/A</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>Refer to Topo "C"</b>	19. Proposed Depth <b>11500'</b>	20. BLM/BIA Bond No. on file <b>BLM U-605382-9; BIA 114066-A</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>4889.1' Ungraded GL</b>	22. Approximate date work will start* <b>Upon Approval</b>	23. Estimated duration <b>To Be Determined</b>

## 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan  | 5. Operator certification.   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) <b>Cheryl Cameron</b>	Date <b>1/12/01</b>
Title <b>Sr. Regulatory Analyst</b>		
Approved by (Signature) 	Name (Printed/Typed) <b>BRADLEY G. HILL</b>	Date <b>02-12-01</b>
Title <b>RECLAMATION SPECIALIST III</b>		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on Reverse)

Federal Approval of this  
Action is Necessary

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OIL, GAS AND MINING

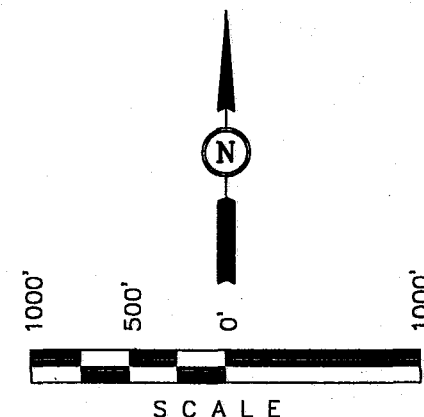
**T9S, R21E, S.L.B.&M.**

**COASTAL OIL & GAS CORP.**

Well location, NBU #317, located as shown in the NE 1/4 NE 1/4 of Section 13, T9S, R21E, S.L.B.&M., Uintah County, Utah.

**BASIS OF ELEVATION**

BENCH MARK IN THE NW 1/4 NW 1/4 OF SECTION 19, T9S, R21E, S.L.B.&M. TAKEN FROM THE RED WASH-SW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4904 FEET.



**CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

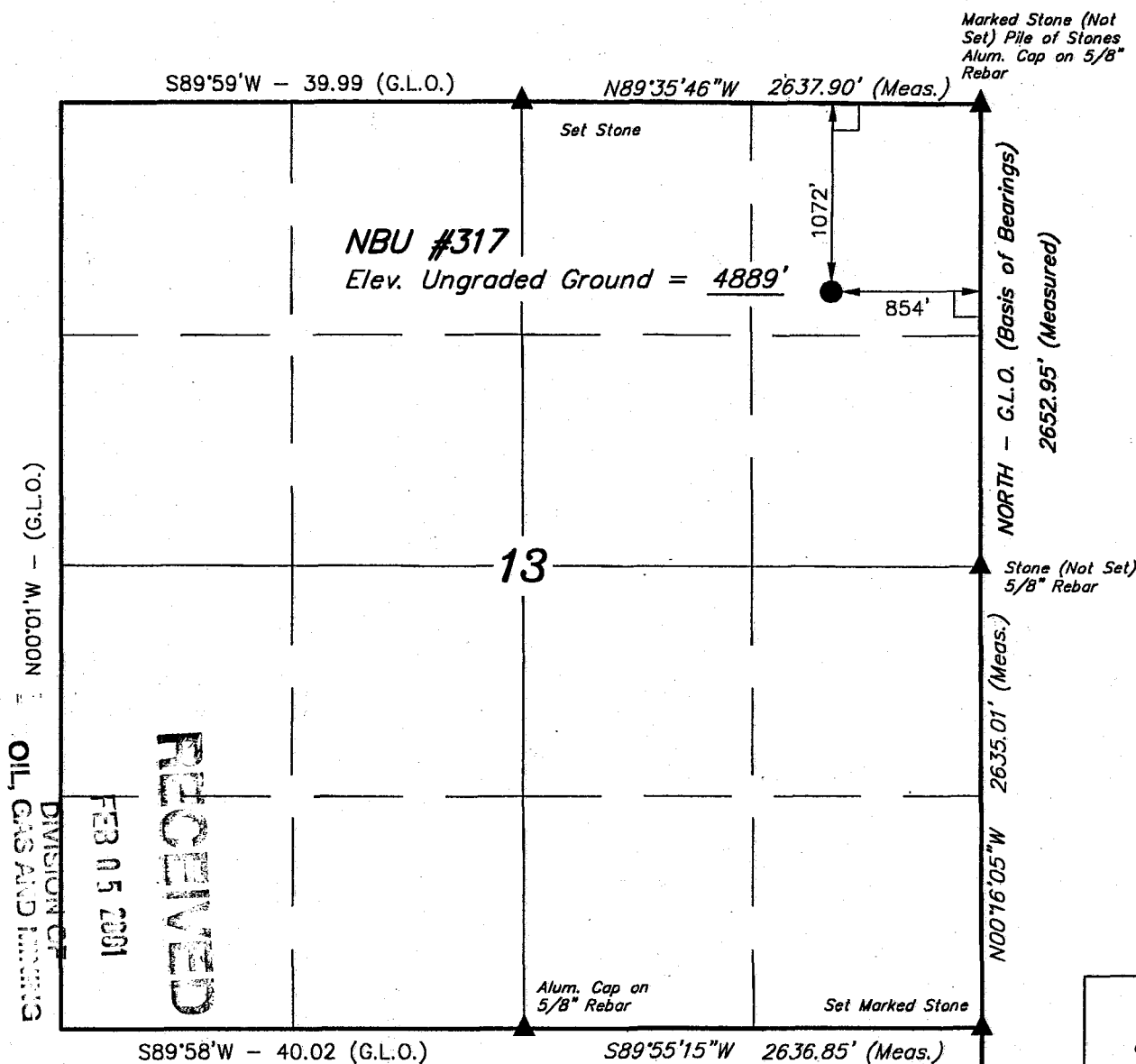
ROBERT V. DAY  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 761319  
STATE OF UTAH

**UINTAH ENGINEERING & LAND SURVEYING**

**85 SOUTH 200 EAST - VERNAL, UTAH 84078**

**(435) 789-1017**

SCALE 1" = 1000'	DATE SURVEYED: 09-10-98	DATE DRAWN: 09-15-98
PARTY J.F. C.T. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE COASTAL OIL & GAS CORP.	



**LEGEND:**

- └ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

R  
21  
E

R  
22  
E

# **COASTAL OIL & GAS CORP.**

---

**NBU #317**

**SECTION 13, T9S, R21E, S.L.B.&M.**

**PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 5.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 300' TO THE PROPOSED LOCATION.**

**TOTAL DISTANCE TO VERNAL IS APPROXIMATELY 49.6 MILES.**

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OIL, GAS AND MINING**

NBU #317  
NE/NE Sec. 13-T9S-R21E  
UINTAH COUNTY, UTAH  
U-01193

ONSHORE ORDER NO. 1  
COASTAL OIL & GAS CORPORATION  
*DRILLING PROGRAM*

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
KB	4900'
Green River	1690'
Wasatch	5110'
Mesaverde	7840'
Top L. Mesaverde A	10100'
Base L. Mesaverde A	10485'
Top L. Mesaverde B	10600'
Base L. Mesaverde B	10865'
TD	11000'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas	Green River	1690'
	Wasatch	5110'
	Mesaverde	7840'
	Top L. Mesaverde A	10100'
	Base L. Mesaverde A	10485'
Gas	Top L. Mesaverde B	10600'
	Base L. Mesaverde B	11000'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

*Please see the Natural Buttes Unit Standard Operating Procedure (SOP).*

4. Proposed Casing & Cementing Program:

*Please see the Natural Buttes Unit SOP.*

5. Drilling Fluids Program:

*Please see the Natural Buttes Unit SOP.*

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**6. Evaluation Program:**

*Please see the Natural Buttes Unit SOP.*

**7. Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 11,000' TD, approximately equals 4,400 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1,980 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

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NBU #317  
NE/NE Sec. 13-T9S-R21E  
UINTAH COUNTY, UTAH  
U-01193

ONSHORE ORDER NO. 1

***MULTI-POINT SURFACE USE & OPERATIONS PLAN***

An onsite inspection was conducted for the NBU #317 on 1/8/01, for the subject well.

1. **Existing Roads:**

The proposed well site is approximately 18.6 miles southeast of Ouray, Utah. Directions to the location from Ouray, Utah:

Proceed in a westerly direction from Vernal, Utah, along U.S. Highway 40 approximately 14.0 miles to the junction of state highway 88; exit left and proceed in a southerly direction approximately 17.0 miles to Ouray, Utah; proceed in a southerly direction approximately 6.9 miles on the Seep Ridge Road to the junction of this road and an existing road to the east; turn left and proceed in an easterly direction approximately 5.0 miles to the junction of this road and an existing road to the north; turn left and proceed in a northerly direction approximately 0.3 miles to the junction of this road and an existing road to the northeast; turn right and proceed in a northeasterly direction approximately 5.5 miles the junction of this road and an existing road to the northwest; turn left and proceed in a northwesterly direction approximately 0.9 miles to the beginning of the proposed access road to the northeast; follow road flags in a northeasterly direction approximately 300' to the proposed location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

2. **Planned Access Roads:**

*Please see the Natural Buttes Unit Standard Operating Procedure (SOP).*

Refer to Topo Map B for the location of the propose access road.

3. **Location of Existing Wells Within a 1-Mile Radius:**

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities:**

*Please see the Natural Buttes Unit SOP.*

Refer to Topo Map D for the location of the proposed pipeline.

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5. **Location and Type of Water Supply:**

*Please see the Natural Buttes SOP.*

6. **Source of Construction Materials:**

*Please see the Natural Buttes SOP.*

7. **Methods of Handling Waste Materials:**

*Please see the Natural Buttes SOP.*

*Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec.5,T9S,R22E, NBU #159, Sec.35,T9S,R21E, Ace Oilfield Sec.2, T6S,R20E, MC&MC Sec 12, T6S,R19E (Requests is lieu of filing Form 3160-5, after initial production).*

8. **Ancillary Facilities:**

*Please see the Natural Buttes SOP.*

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

A 16" Culvert shall be installed at the road entrance as discussed at the on-site inspection.

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

As per previous onsite discussions, a reserve pit liner (12 Mil) will be required.

10. **Plans for Reclamation of the Surface:**

*Please see the Natural Buttes SOP.*

11. **Surface Ownership:**

The well pad and access road are located on lands owned by:

Bureau of Indian Affairs  
Uintah & Ouray Agency  
P.O. Box 130  
Fort Duchesne, UT 84026  
(435)722-4300

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**12. Other Information:**

A Class III archaeological survey was conducted by Metcalf Archaeological Consultants. Copies were submitted to the Ute Indian Tribe Energy & Minerals Department and Bureau of Indian Affairs prior to the on-site inspection.

This location is not within 460 feet from the boundary of the Natural Buttes Unit, nor is it within 460 feet of any non-committed tract lying within the boundaries of the Unit.

**13. Lessee's or Operators's Representative & Certification:**

Cheryl Cameron  
Sr. Regulatory Analyst  
Coastal Oil & Gas Corporation  
P.O. Box 1148  
Vernal, UT 84078  
(435) 781-7023

Darrell Molnar  
Drilling Manager  
Coastal Oil & Gas Corporation  
9 Greenway Plaza, Suite 2770  
Houston, TX 77046  
(713) 418-4295

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. Coastal Oil & Gas Corporation agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

Bond Coverage pursuant to 43 CFR 3104 for lease activities is being provided by Coastal Oil & Gas Corporation Bond #102103, BLM Nationwide Bond #U-605382-9, and BIA Nationwide Bond #114066-A.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

  
Cheryl Cameron

1/12/01

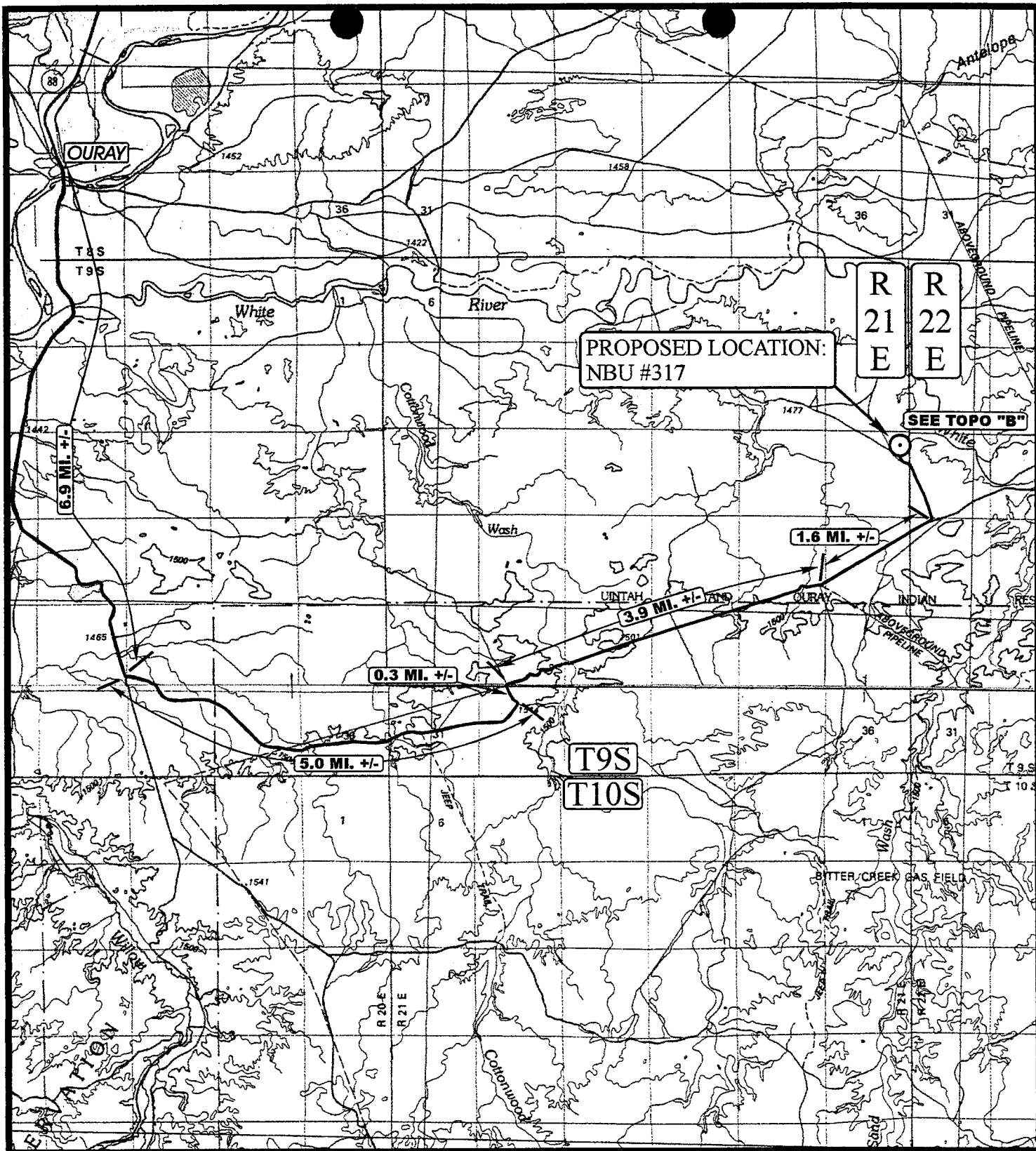
Date

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# LEGEND:

○ PROPOSED LOCATION

## COASTAL OIL & GAS CORP.

NBU #317

SECTION 13, T9S, R21E, S.L.B.&M.

1072' FNL 854' FEL



Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

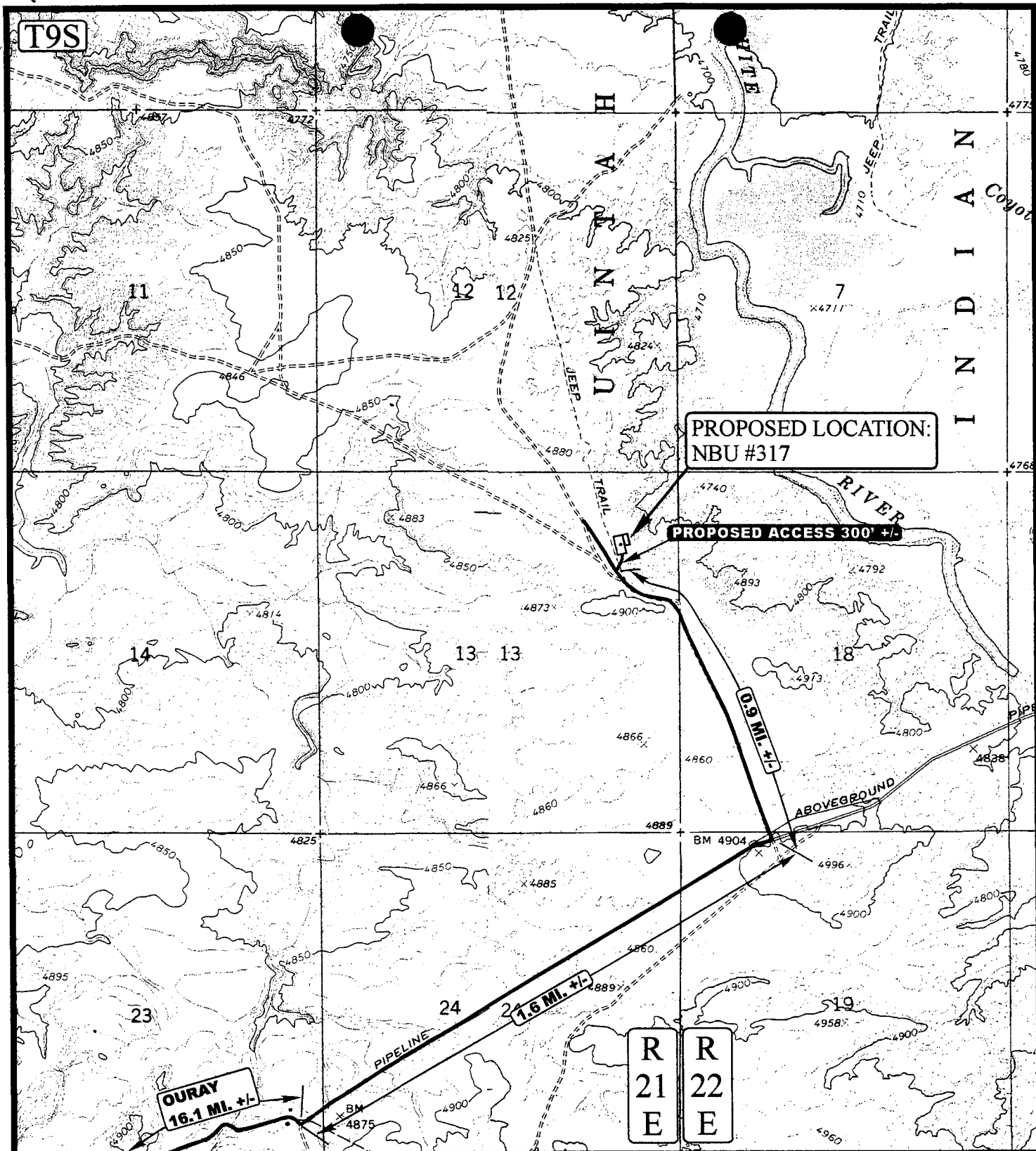


TOPOGRAPHIC  
MAP

9 14 98  
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00

A  
TOPO



# LEGEND:

--- PROPOSED ACCESS ROAD  
 --- EXISTING ROAD

COASTAL OIL & GAS CORP.

NBU #317

SECTION 13, T9S, R21E, S.L.B.&M.  
 1072' FNL 854' FEL



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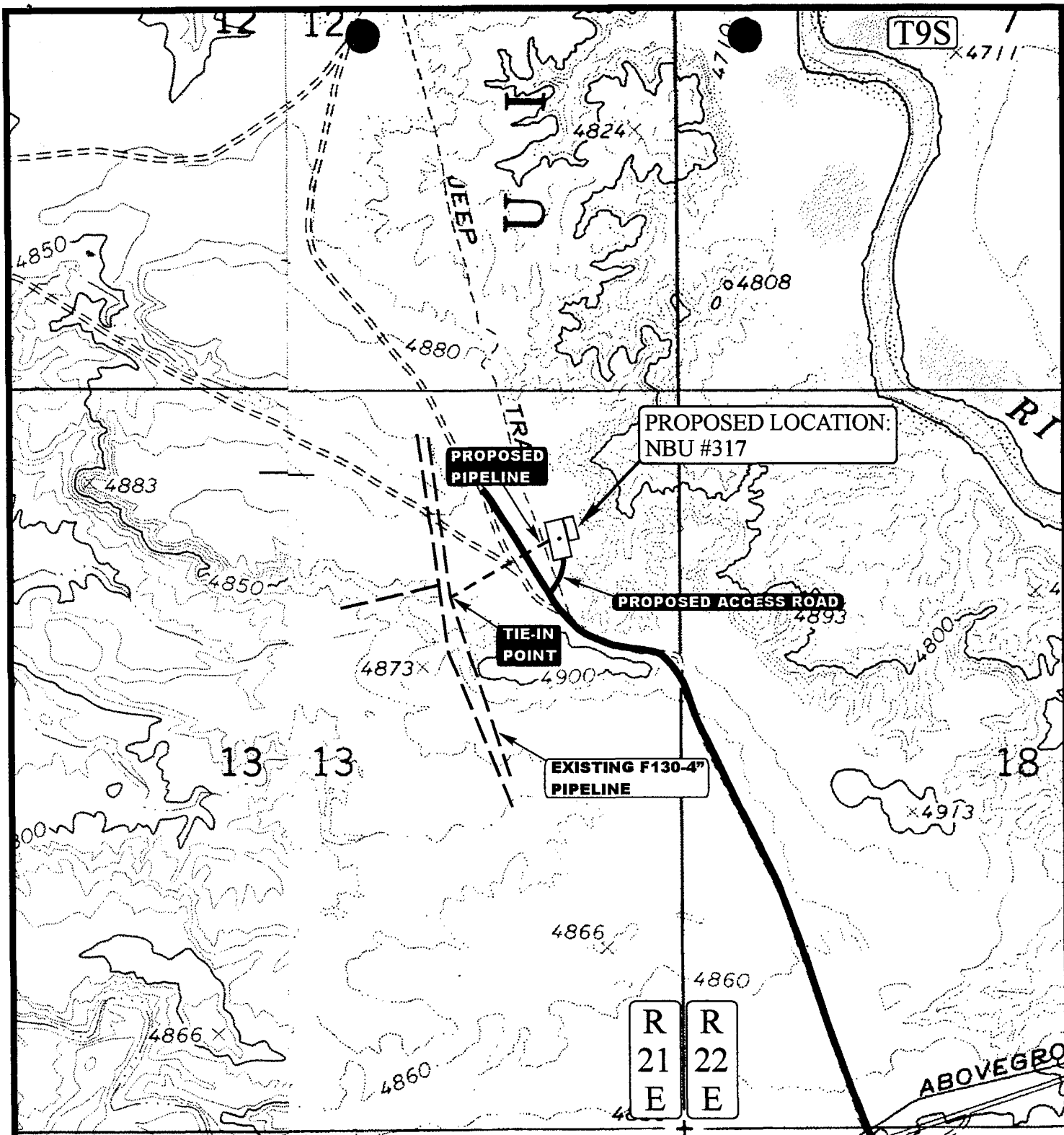
TOPOGRAPHIC  
 MAP

9 14 98  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00







APPROXIMATE TOTAL PIPELINE DISTANCE = 740' +/-

LEGEND:

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS



COASTAL OIL & GAS CORP.

NBU #317

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1072' FNL 854' FEL



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85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
MAP

9 14 98  
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: J.L.G. REVISED: 00-00-00



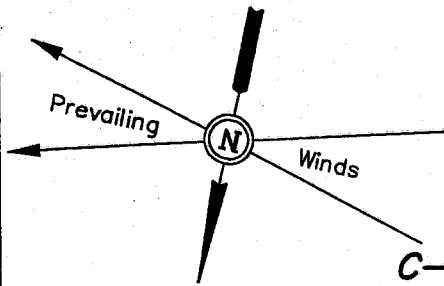
# COASTAL OIL & GAS CORP.

## LOCATION LAYOUT FOR

NBU #317

SECTION 13, T9S, R21E, S.L.B.&M.  
1072' FNL 854' FEL

Proposed Access Road



C-1.1'  
El. 89.7'

C-1.4'  
El. 90.0'

C-1.4'  
El. 90.0'

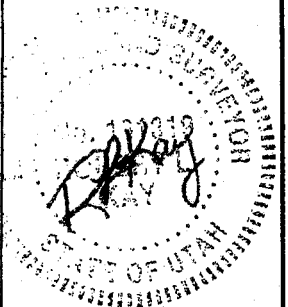
Sta. 3+25

SCALE: 1" = 50'  
DATE: 09-15-98  
Drawn By: D.R.B.

Approx.  
Top of  
Cut Slope

### NOTE:

Flare Pit is to be located  
a min. of 100' from the  
Well Head.



El. 89.3'  
C-10.7'  
(btm. pit)

Subsoil Stockpile

C-0.6'  
El. 89.2'

C-0.4'  
El. 89.0'

C-0.5'  
El. 89.1'

Sta. 1+50

C-0.1'  
El. 88.7'

RESERVE PITS  
(10' Deep)

Pit Capacity With  
2' of Freeboard  
is ±9,650 Bbls.

Sta. 0+55

El. 88.7'  
C-10.1'  
(btm. pit)

Reserve Pit Backfill  
& Spoils Stockpile

El. 88.6'  
GRADE

C-0.1'  
El. 88.7'

F-0.2'  
El. 88.4'

Topsoil Stockpile  
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F-0.5'  
El. 88.1'

Sta. 0+00

### NOTES:

Elev. Ungraded Ground At Loc. Stake = 4889.1'

FINISHED GRADE ELEV. AT LOC. STAKE = 4888.6'

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

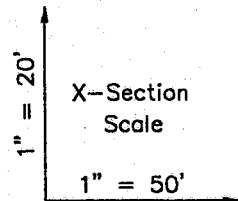
# COASTAL OIL & GAS CORP.

## TYPICAL CROSS SECTIONS FOR

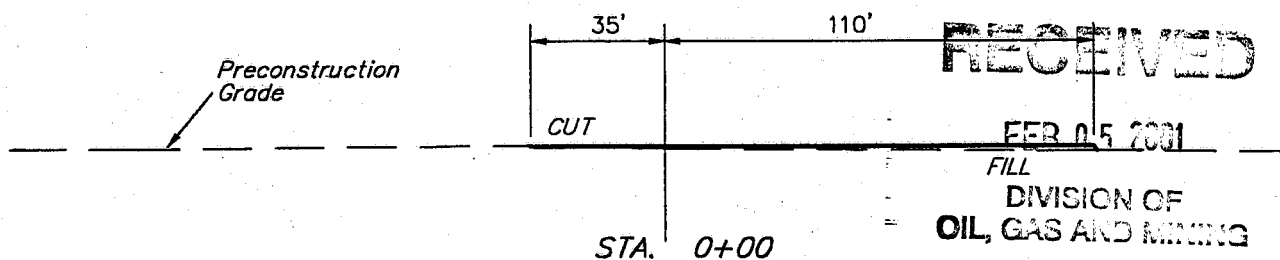
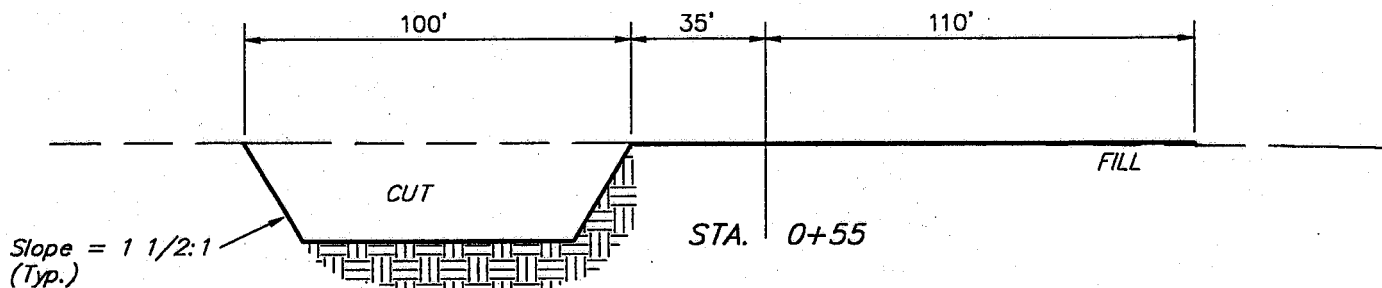
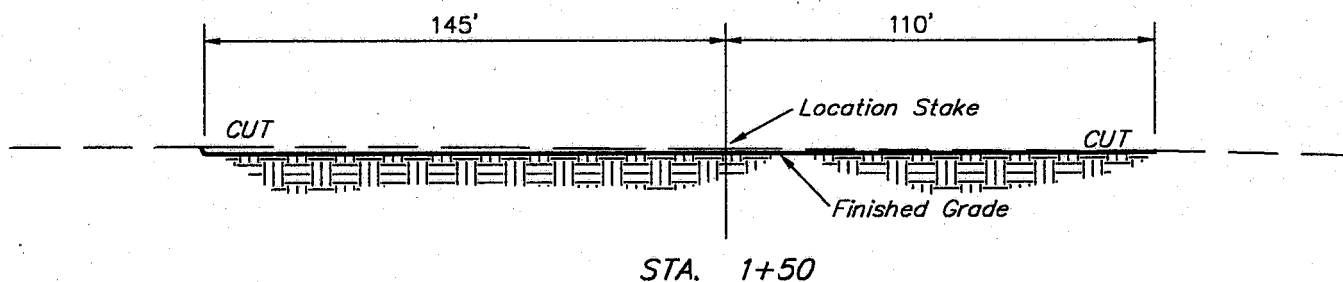
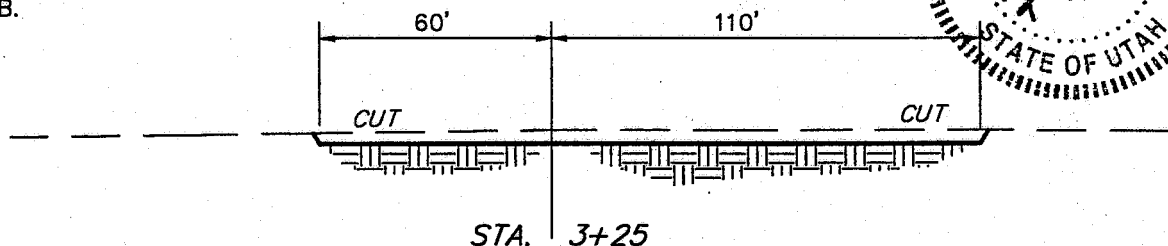
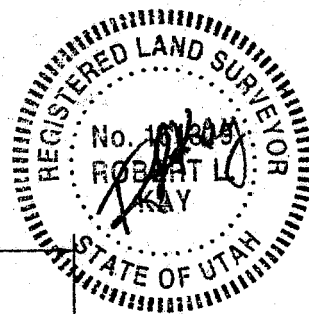
NBU #317

SECTION 13, T9S, R21E, S.L.B.&M.

1072' FNL 854' FEL



DATE: 09-15-98  
Drawn By: D.R.B.



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### FIGURE #2

#### APPROXIMATE YARDAGES

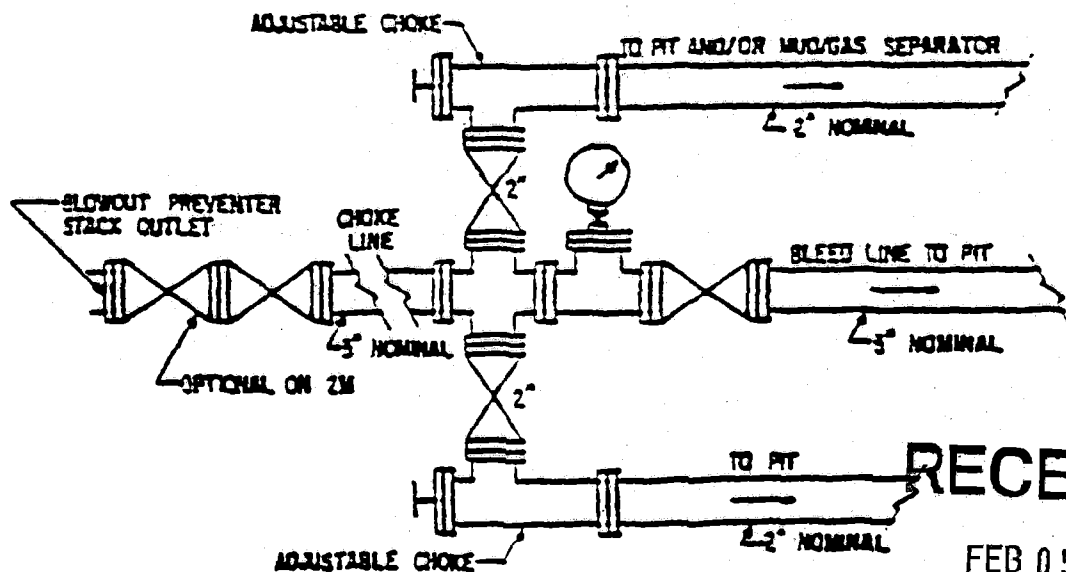
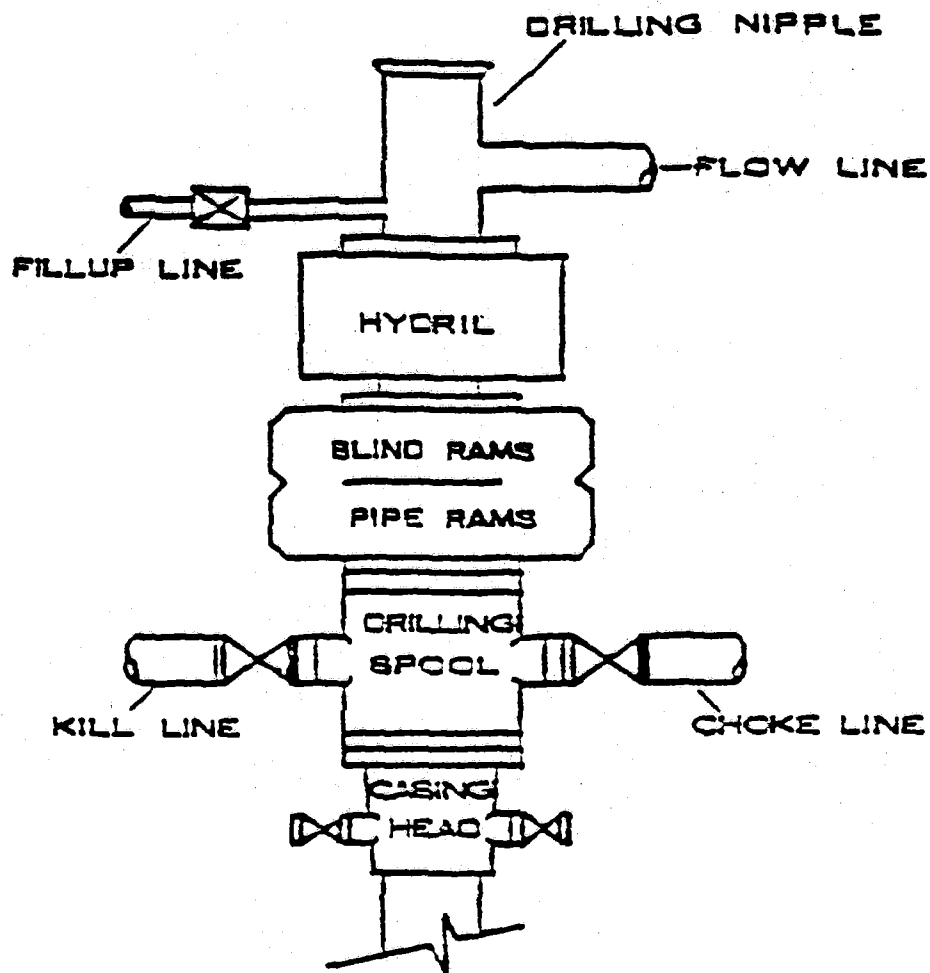
CUT	
(12") Topsoil Stripping	= 2,280 Cu. Yds.
Remaining Location	= 2,560 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 4,840 CU.YDS.</b>
<b>FILL</b>	<b>= 1,160 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 3,620 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,620 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

3,000 PSI

# BOF STACK



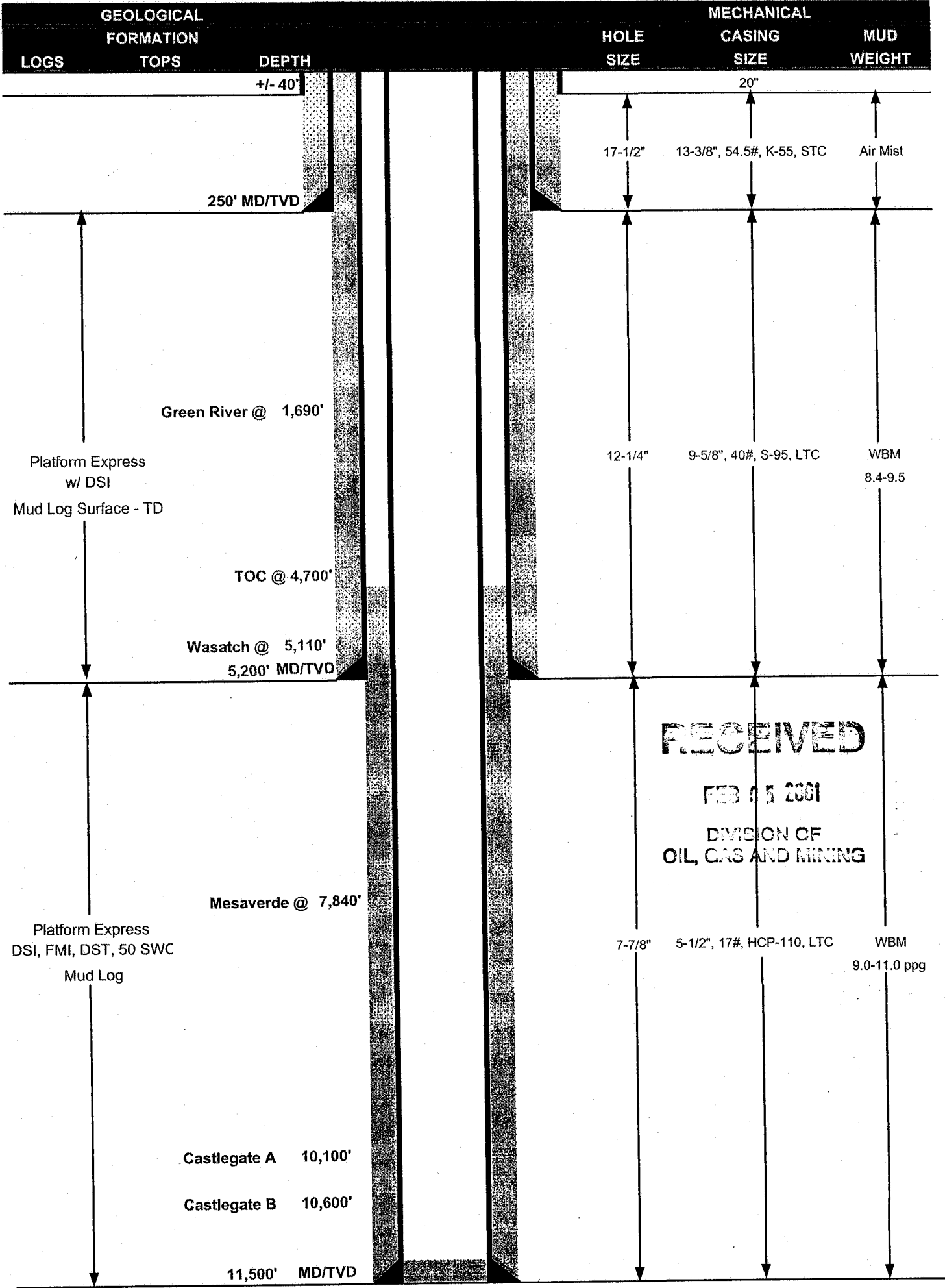
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# DRILLING PROGRAM

COMPANY NAME	Coastal Oil & Gas Corporation	DATE	1/31/01
WELL NAME	<b>NBU #317</b>	TD	11,500' MD/TVD
FIELD	NBU	COUNTY	Uintah
		STATE	Utah
		ELEVATION	4,900' KB
SURFACE LOCATION	1072' FNL & 854' FEL Sec 13 T9S-R21E	BHL	Straight Hole
OBJECTIVE ZONE(S)	Wasatch, Mesaverde, Castlegate		
ADDITIONAL INFO			





COASTAL OIL & GAS CORPORATION  
DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
SURFACE	13-3/8"	0-250'	54.5#	K-55	STC	3,090	1,540	633,000
						22.03	13.16	5.57
INTERMEDIATE	9-5/8"	0 - 5,200'	40#	S-95	LTC	6,820	4,230	858,000
						1.94	1.65	2.79
PRODUCTION	5-1/2"	0-TD	17#	HCP-110	LTC	10,640	8,580	445,000
						2.02	1.30	1.51

- 1) Maximum Anticipated Surface Pressure (MASP) (Conductor and Surface Casings) = (Frac Gradient at Shoe - Gas Gradient (0.115 psi/ft))(TVD)
- 2) MASP (Int Casing) = Pore Pressure at Next Casing Point - (Gas Gradient x TVD of Next Casing Point x 0.67) - (Mud Weight x TVD x 0.052 x 0.33)
- 3) MASP (Prod Casing) = Pore Pressure - (Gas Gradient x TVD of Production Interval)
- (Burst Assumptions: FG @ 13-3/8" shoe = 13.0 ppg, Max Pore Pressure = 11 ppg, Max MW = 11 ppg)
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing, 100,000 lbs overpull)

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS*	WEIGHT	YIELD
SURFACE		250'	Class G + 2% CaCl2 + 0.25 lb/sk Flocele	250	50%	15.60	1.19
INTERMEDIATE	LEAD	4,200'	Premium Lite II + 2% CaCl + 3 lb/sk CSE + 0.25 lb/sk Cello Flake + 3 lb/sk Kol Seal + 8% Gel + 0.5% Na Metasilicate	780	100%	11.50	2.74
	TAIL	1,000'	50/50/2 Poz + 0.25 lb/sk Cello Flake 2 lb/sk Kol Seal + 0.5% FL-25 + 2% Gel + 0.3% Na Metasilicate	470	75%	14.50	1.23
PRODUCTION	TAIL	6,800'	50/50/2 Poz + 0.25 lb/sk Cello Flake 2 lb/sk Kol Seal + 1% FL-25 + 2% Gel + 35% S-8 + 1% EC-1	1,260	75%	14.50	1.64

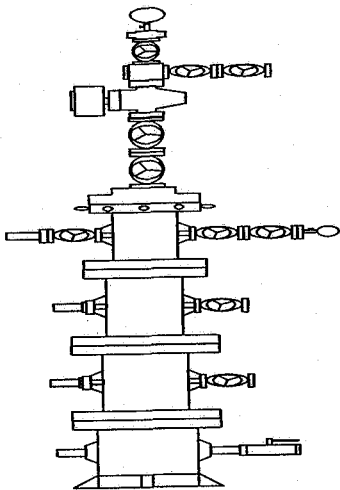
\* or 15% over caliper

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 joint, float collar. Centralize first 3 joints & every other collar to surface. Thread lock FE up to and including pin end of float collar.
INTERMEDIATE	Guide shoe, 1 joint, float collar. Install 2 bow spring centralizers on the shoe joint and 1 on the next two joints. Then 1 centralizer every third joint to top of tail cement. Thread lock FE up to and including pin end of FC.
PRODUCTION	Guide shoe, 2 joints, float collar. Install 1 bow spring centralizers on each shoe joint and 1 on the next two joints. Then 1 centralizer every other joint to top of cement. Thread lock FE up to and including pin end of FC.

RECEIVED

WELLHEAD EQUIPMENT



TREE	2-1/16" 10M
TUBING HEAD	11" 5M X 7-1/16" 10M
CASING SPOOL	
CASING SPOOL	13-5/8" 3M X 11" 5M
CASING HEAD	13-3/8" SOW X 13-5/8" 3M

FEB 05 2001

DIVISION OF  
OIL, GAS AND MINING

COASTAL OIL & GAS CORPORATION  
DRILLING PROGRAM

BIT PROGRAM

ROCK BIT & PDC BIT PROGRAM						
INTERVAL	HOLE	BIT MFG & MODEL	GPM	SERIAL	NZLS	COMMENTS
Surface Hole	17-1/2"	Various				Pre-set
Intermediate hole	12-1/4"	F27	600	NEW	3-18's	Mud Motor
Production Hole	7-7/8"	SEC XS44	350-400	NEW	3 - 18's	Mud Motor

Intermediate section: If a second bit is required, use a RTC HP53A on a motor

Production section: If a second bit is required, use either a F4H or a ATJ-44

GEOLOGICAL DATA

LOGGING:

Depth	Log Type
SC - Int	Platform Express w/ DSI
Int - TD	Platform Express w/ DSI, FMI, DST in Castlegate B, and 50 rotary SWC

MUD LOGGER:  
SAMPLES:  
CORING:  
DST:

Surface - TD  
As per Geology  
50 SWC - As per Geology  
As per Geology - in Castlegate B

RECEIVED  
FEB 05 2001  
DIVISION OF  
OIL, GAS AND MINING

MUD PROGRAM

DEPTH	TYPE	MUD WT	WATER LOSS	VISCOSITY	TREATMENT
0 - 250'	Air Mist	NA	NA		
SC - Intrm	Water to LSND	8.4 - 9.5	NC - <12 cc's	28 - 45	Polymer, Lime
Intrm-10,000' 10,000' - TD	Water Saturated Salt	9.0 - 9.8 10.0 - 11.0+	6 - 10 cc's	30-45	Polymer, Lime, Brine, Barite Starch

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,000 psi prior to drilling out. Test int. csg. to 1,500 psi prior to drilling out.  
BOPE to intermediate: 13-5/8" 3M with one 3M annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. BOPE to TD:  
11" 5M with one 5M annular and 2 rams. Test to 5,000 psi (annular to 3,000 psi) prior to drilling out. Record on chart recorder &  
tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper  
& lower kelly valves.  
Run Totco survey every 1500' from surface casing shoe to TD. Maximum allowable hole angle is 5 degrees.

PROJECT ENGINEER: Christa Yin  
PROJECT MANAGER: Darrell Molnar

DATE:   
DATE:

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/05/2001

API NO. ASSIGNED: 43-047-33921

WELL NAME: NBU 317

OPERATOR: COASTAL OIL & GAS CORP ( N0230 )

CONTACT: CHERYL CAMERON

PHONE NUMBER: 435-781-7023

**PROPOSED LOCATION:**

NENE 13 090S 210E

SURFACE: 1072 FNL 0854 FEL

BOTTOM: 1072 FNL 0854 FEL

UINTAH

NATURAL BUTTES ( 630 )

LEASE TYPE: 1-Federal

LEASE NUMBER: U-01193

SURFACE OWNER: 2-Indian

PROPOSED FORMATION: MVRD

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

**RECEIVED AND/OR REVIEWED:**

☒ Plat

☒ Bond: Fed ☒ Ind ☐ Sta ☐ Fee ☐  
(No. U-605382-9 )

☒ Potash (Y/N)

☒ Oil Shale (Y/N) \*190-5 (B) or 190-3

☒ Water Permit  
(No. 43-8496 )

☒ RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )

☒ Fee Surf Agreement (Y/N)

**LOCATION AND SITING:**

       R649-2-3. Unit NATURAL BUTTES

       R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

       R649-3-3. Exception

☒ Drilling Unit

Board Cause No: 173-14

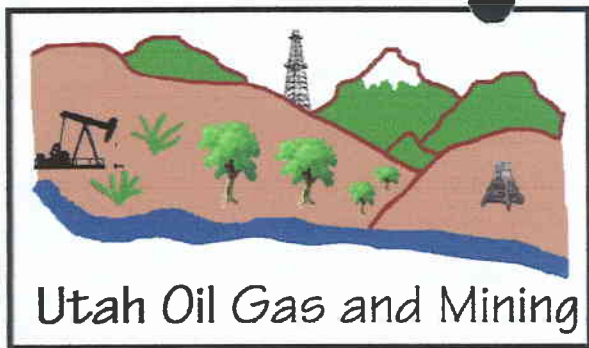
Eff Date: 12-2-99

Siting: 460' ft. Unit Boundary & Uncomm. Tract.

       R649-3-11. Directional Drill

COMMENTS: NBU Sol, separate file.

STIPULATIONS: ① FEDERAL APPROVAL  
② OIL SHALE

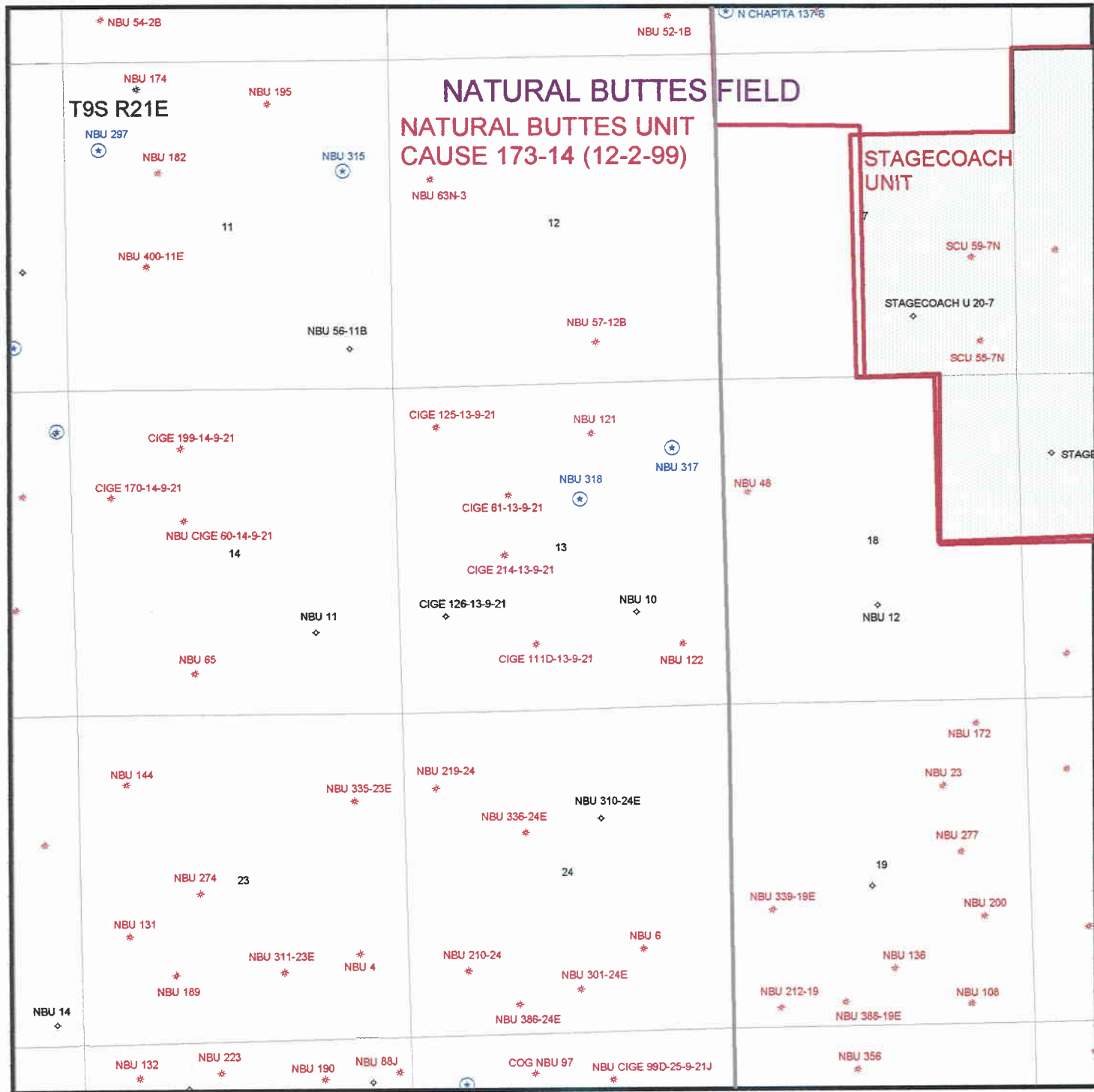


OPERATOR: COASTAL O&G CORP (N0230)

FIELD: NATURAL BUTTES (630)

SEC. 13, T9S, R21E,

COUNTY: UINTAH UNIT: NATURAL BUTTES  
CAUSE: 173-14





State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

February 12, 2001

Coastal Oil & Gas Corporation  
PO Box 1148  
Vernal, UT 84078

Re: Natural Buttes Unit 317 Well, 1072' NFL, 854' FEL, NE NE, Sec. 13, T. 9 South,  
R. 21 East, Uintah County, Utah

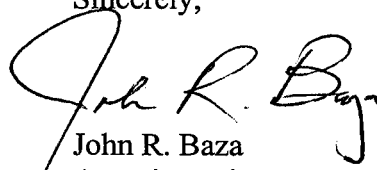
Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33921.

Sincerely,

  
John R. Baza  
Associate Director

er

Enclosures

cc: Uintah County Assessor  
Bureau of Land Management, Vernal District Office

**Operator:** Coastal Oil & Gas Corporation  
**Well Name & Number** Natural Buttes Unit 317  
**API Number:** 43-047-33921  
**Lease:** U-01193

**Location:** NE NE      **Sec.** 13      **T.** 9 South      **R.** 21 East

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0136  
Expires: November 30, 2000

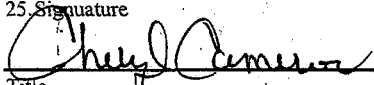
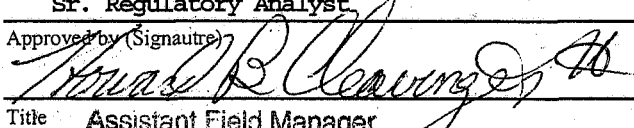
## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>U-01193</b>
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>Ute</b>
2. Name of Operator <b>Coastal Oil &amp; Gas Corporation</b>		7. Unit or CA Agreement Name and No. <b>Natural Buttes Unit</b>
3a. Address <b>P.O. Box 1148, Vernal, UT 84078</b>		8. Lease Name and Well No. <b>NBU #317</b>
3b. Phone No. (include area code) <b>(435) -781-7023</b>		9. API Well No. <b>N/A</b>
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface <b>NE NE</b> At proposed prod. zone <b>1072'FNL &amp; 854'FEL</b>		10. Field and Pool, or Exploratory <b>Natural Buttes</b>
14. Distance in miles and direction from nearest town or post office* <b>18.6 Miles Southeast of Vernal, Utah</b>		11. Sec., T., R., M., or Blk. and Survey or Area <b>Section 13-T9S-R21E</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) <b>854'</b>	16. No. of Acres in lease <b>1920.00</b>	12. County or Parish <b>Uintah</b>
17. Spacing Unit dedicated to this well <b>N/A</b>	13. State <b>Utah</b>	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>Refer to Topo "C"</b>	19. Proposed Depth <b>11500'</b>	20. BLM/BIA Bond No. on file <b>BLM U-605382-9; BIA 114066-A</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>4889.1' Ungraded GL</b>	22. Approximate date work will start* <b>Upon Approval</b>	23. Estimated duration <b>To Be Determined</b>

## 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan  | 5. Operator certification.   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) <b>Cheryl Cameron</b>	Date <b>1/12/01</b>
Title <b>Sr. Regulatory Analyst</b>		
Approved by (Signature) 	Name (Printed/Typed) <b>Assistant Field Manager</b>	Date <b>03/15/2001</b>
Title <b>Mineral Resources</b>		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on Reverse)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

RECEIVED

MAR 19 2001

DIVISION OF  
OIL GAS AND MINING

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Coastal Oil and Gas Corp.

Well Name & Number: NBU #317

API Number: 43-047-33921

Lease Number: U-01193

Location: NENE Sec. 13 T.9S R. 21E

Agreement: Natural Buttes Unit

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

**CONDITIONS OF APPROVAL**

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to or Pete Sokolosky of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable.

2. Pressure Control Equipment

The variances requested in section 9 of the NBU Field SOP are granted with the following conditions:

Where the location and rig layout allows, the blooie line shall be straight and extend 100' from the wellbore. This requirement will be waived only in the case where the location is too small to accommodate it.



3. Casing Program and Auxiliary Equipment

**The proposed cement volume for the intermediate casing may not be sufficient to have returns to surface. At a minimum, the intermediate casing string must be cemented 200' above the base of the moderately saline water identified at +290'.**

4. Mud Program and Circulating Medium

None

5. Coring, Logging and Testing Program

**Cement Bond Logs will be required from the intermediate casing shoe to surface on the intermediate string and from TD to the 200' above the intermediate casing shoe and the production string**

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

6. Notifications of Operations

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

7. Other Information

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman                      (435) 789-7077 (HOME)                      (435) 646-1685 (PAGER)  
Petroleum Engineer

Kirk Fleetwood                      (435) 789-6858 (HOME)                      (435) 646-1678 (PAGER)  
Petroleum Engineer

Jerry Kenczka                      (435) 781-1190 (HOME)                      (435) 646-1676 (PAGER)  
Petroleum Engineer

BLM FAX Machine                      (435) 781-4410

SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)

Coastal Oil and Gas Corporation (Coastal) will assure the Ute Tribe that any/all contractors and subcontractors have acquired a current Tribal Business License and have updated "Access Permits" prior to construction. All Coastal personnel, contractors and subcontractors will have these permits in their vehicles at all times. Companies that have not complied with this COA will be in violation of the Ute Tribal Business License Ordinance, and will be subject to fines and penalties.

Coastal employees, representatives, and/or authorized personnel (subcontractors) shall not carry firearms on their person or in their vehicles while working on the Uintah and Ouray Indian Reservation.

Coastal employees and/or authorized personnel (subcontractors) in the field will have approved applicable APDs and/or ROW permits/authorizations on their person(s) during all phases of construction.

Coastal will notify the Ute Tribe and Bureau of Indian Affairs (BIA) in writing of any requested modification of APDs or Rights-Of Way (ROW). Coastal shall receive written notification of authorization or denial of the requested modification. Without authorization, Coastal will be subject to fines and penalties.

The Ute Tribe Energy & Minerals Department shall be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday. A Tribal Technician is to routinely monitor construction. Coastal shall make arrangements with the Ute Energy & Minerals Department for all monitoring that will exceed regular working hours for Tribal Technicians. A qualified Archaeologist accompanied by a Tribal Technician will monitor the construction of the pipeline where any trenching is required for the construction of the pipeline. Coastal is to inform contractors to maintain construction of the pipelines within approved 30 foot right of ways.

A corridor ROW, 30 feet wide, shall be granted for pipeline. A road ROW corridor limited to 30 feet width is authorized. These two ROWs do not coincide. The constructed travel width of the access road will be limited to 18 feet. Upon authorization by the Ute Tribe Energy & Minerals Department, the ROW may be wider where sharp curves; deep cuts and fills occur; or, where intersections with other roads are required. Upon completion of each pipeline in the corridor an adequate description of the pipeline will be filed with the Ute Tribe Energy & Minerals Department.

Upon completion of the pertinent APD and ROWs, Coastal will notify the Ute Tribe Energy & Minerals Department for a Tribal Technician to verify the Affidavit of Completion.

Production waters, oil, and other byproducts shall not be placed on access roads or the well pad.

All vehicular traffic, personnel movement, construction and restoration operations will be confined to the areas examined and approved and to the existing roadways and/or evaluated access routes.

Coastal will implement "Safety and Emergency Plan" and ensure plan compliance.

Coastal shall stop construction activities and notify personnel from the Ute Tribe Energy & Minerals Department and BIA if cultural remains including paleontologic resources (vertebrate fossils) are exposed or identified during construction. The Ute Tribe Department of Cultural Rights and Protection and the BIA will provide mitigation measures prior to allowing construction.

Coastal employees and/or authorized personnel (subcontractors) will not be allowed to collect artifacts and paleontologic fossils. No significant cultural resources shall be disturbed.

Coastal will control noxious weeds on the well site and ROWs. Coastal will be responsible for noxious weed control if weeds spread from the project area onto adjoining land.

Reserve pits will be lined with an impervious synthetic liner. About 17 rods of fence will be constructed around the reserve pit until it is backfilled. Prior to backfilling the reserve pit, all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the reserve pits are backfilled, the surplus oil and mud, etc., will be buried a minimum of 3 feet below the surface of the soil.

A closed system will be used during production. This means that production fluids will be contained in leak-proof tanks. All production fluids will be disposed of at approved disposal sites.

Surface pipelines will be constructed to lay on the soil surface. The ROW will not be bladed or cleared of vegetation without authorization of the BIA. Where surface pipelines do not parallel roads but cross country between stations, they shall be welded in place at well sites or on access roads. They shall be pulled between stations with suitable equipment. Vehicles shall not use pipeline ROWs as access roads unless specifically authorized.

Buried pipelines shall be buried a minimum of 3 feet below the soil surface. After construction is completed the disturbed area shall be contoured to blend into the natural landscape and be reseeded between September 15 and November 1 of the year following construction with perennial vegetation seed mixture provided by the BIA or Ute Tribe.

Before the site is abandoned, Coastal will be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Soil erosion will be mitigated by reseeding all disturbed areas.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: El Paso Production Oil & Gas Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 8 South 1200 East CITY Vernal STATE Utah ZIP 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____		8. WELL NAME and NUMBER: Exhibit "A" 9. API NUMBER:
PHONE NUMBER: 435-789-4433		10. FIELD AND POOL, OR WILDCAT:
COUNTY: _____		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

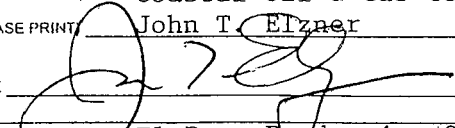
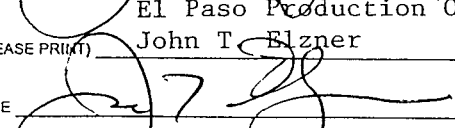
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Name Change
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

As a result of the merger between The Coastal Corporation and a wholly owned subsidiary of El Paso Energy Corporation, the name of Coastal Oil & Gas Corporation has been changed to El Paso Production Oil & Gas Company effective March 9, 2001.

See Exhibit "A"

Bond # 400JU0708

Coastal Oil & Gas Corporation	
NAME (PLEASE PRINT) John T. Elzner	TITLE Vice President
SIGNATURE 	DATE 06-15-01
El Paso Production Oil & Gas Company	
NAME (PLEASE PRINT) John T. Elzner	TITLE Vice President
SIGNATURE 	DATE 06-15-01

(This space for State use only)

RECEIVED

JUN 19 2001

State of Delaware  
*Office of the Secretary of State*

---

PAGE 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "COASTAL OIL & GAS CORPORATION", CHANGING ITS NAME FROM "COASTAL OIL & GAS CORPORATION" TO "EL PASO PRODUCTION OIL & GAS COMPANY", FILED IN THIS OFFICE ON THE NINTH DAY OF MARCH, A.D. 2001, AT 11 O'CLOCK A.M.

RECEIVED

JUN 1 2001

DIVISION OF  
OIL, GAS AND MINING



*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State

0610204 8100

AUTHENTICATION: 1061007

010162788

DATE: 04-03-01

## CERTIFICATE OF AMENDMENT

OF

## CERTIFICATE OF INCORPORATION

COASTAL OIL & GAS CORPORATION (the "Company"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Company, by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of the Company:

RESOLVED that it is deemed advisable that the Certificate of Incorporation of this Company be amended, and that said Certificate of Incorporation be so amended, by changing the Article thereof numbered "FIRST." so that, as amended, said Article shall be and read as follows:

"FIRST. The name of the corporation is El Paso Production Oil & Gas Company."

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders entitled to vote have given unanimous written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said COASTAL OIL & GAS CORPORATION has caused this certificate to be signed on its behalf by a Vice President and attested by an Assistant Secretary, this 9th day of March 2001.

COASTAL OIL &amp; GAS CORPORATION



David L. Siddall  
Vice President

Attest:



Margaret E. Roark, Assistant Secretary

RECEIVED

STATE OF DELAWARE  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
FILED 11:00 AM 03/09/2001  
010118394 - 0610204

JUN 19 2001

DIVISION OF  
OIL, GAS AND MINING



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

**RECEIVED**

JUL 12 2001

DIVISION OF  
OIL, GAS AND MINING

In Reply Refer To:  
3106  
UTSL-065841  
(UT-924)

JUL 10 2001

### NOTICE

El Paso Production Oil & Gas Company	:	Oil and Gas
Nine Greenway Plaza	:	
Houston TX 77046-0095	:	

#### Name Change Recognized

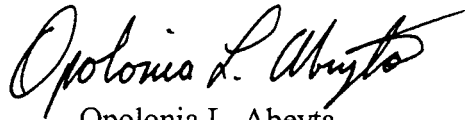
Acceptable evidence has been received in this office concerning the name change of Coastal Oil & Gas Corporation into El Paso Production Oil & Gas Company with El Paso Production Oil & Gas Company being the surviving entity.

For our purposes, the name change is recognized effective March 9, 2001.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Coastal Oil & Gas Corporation to El Paso Production Oil & Gas Company. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Wyoming and Colorado.



Opolonia L. Abeyta  
Acting Chief, Branch of  
Minerals Adjudication

Enclosure

1. Exhibit of Leases (1 pp)

cc: Moab Field Office  
Vernal Field Office  
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217  
~~State of Utah, DOGM,~~ Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114  
Teresa Thompson (UT-922)  
Joe Incardine (UT-921)



### Exhibit of Leases

UTUSL-065841A	UTU-47172	UTU-74415	UTU-53860
UTU-28652	UTU-50687	UTU-74416	UTU-66401
UTU-37943	UTU-52298	UTU-75091	UTU-67868
UTU-44089	UTU-0109054	UTU-75096	UTU-65389
UTU-44090A	UTU-0143511	UTU-75097	UTU-77084
UTU-61263	UTU-0143512	UTU-75673	UTU-61430
UTU-00343	UTU-38401	UTU-76259	UTU-72633
UTU-02651	UTU-38411	UTU-76260	UTU-72650
UTU-02651B	UTU-38418	UTU-76261	UTU-49692
UTU-0142175	UTU-38419	UTU-76493	UTU-57894
UTU-70235	UTU-38420	UTU-76495	UTU-76829
UTU-70406	UTU-38421	UTU-76503	UTU-76830
UTU-74954	UTU-38423	UTU-78228	UTU-76831
UTU-75132	UTU-38424	UTU-78714	
UTU-75699	UTU-38425	UTU-78727	
UTU-76242	UTU-38426	UTU-78734	
UTU-78032	UTU-38427	UTU-79012	
UTU-4377	UTU-38428	UTU-79011	
UTU-4378	UTU-53861	UTU-71694	
UTU-7386	UTU-58097	UTU-00576	
UTU-8344A	UTU-64376	UTU-00647	
UTU-8345	UTU-65222	UTU-01470D	
UTU-8347	UTU-65223	UTU-0136484	
UTU-8621	UTU-66746	UTU-8344	
UTU-14646	UTU-67178	UTU-8346	
UTU-15855	UTU-67549	UTU-8648	
UTU-25880	UTU-72028	UTU-28212	
UTU-28213	UTU-72632	UTU-30289	
UTU-29535	UTU-73009	UTU-31260	
UTU-29797	UTU-73010	UTU-33433	
UTU-31736	UTU-73013	UTU-34711	
UTU-34350	UTU-73175	UTU-46699	
UTU-34705	UTU-73434	UTU-78852	
UTU-37116	UTU-73435	UTU-78853	
UTU-37355	UTU-73444	UTU-78854	
UTU-37573	UTU-73450	UTU-075939	
UTU-38261	UTU-73900	UTU-0149767	
UTU-39223	UTU-74409	UTU-2078	
UTU-40729	UTU-74410	UTU-44426	
UTU-40736	UTU-74413	UTU-49530	
UTU-42469	UTU-74414	UTU-51026	

## OPERATOR CHANGE WORKSHEET

## ROUTING

1. GLH		4-KAS
2. CDW	✓	5-LP ✓
3. JLT		6-FILE

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

X Merger

The operator of the well(s) listed below has changed, effective: **3-09-2001**

<b>FROM: (Old Operator):</b>
COASTAL OIL & GAS CORPORATION
Address: 9 GREENWAY PLAZA STE 2721
HOUSTON, TX 77046-0995
Phone: 1-(713)-418-4635
Account N0230

<b>TO: ( New Operator):</b>
EL PASO PRODUCTION OIL & GAS COMPANY
Address: 9 GREENWAY PLAZA STE 2721 RM 2975B
HOUSTON, TX 77046-0995
Phone: 1-(832)-676-4721
Account N1845

CA No.

Unit: NATURAL BUTTES

## WELL(S)

NAME	API NO	ENTITY NO	SEC TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 315	43-047-33879	99999	11-09S-21E	FEDERAL	GW	APD
NBU 57-12B	43-047-30464	2900	12-09S-21E	FEDERAL	GW	P
NBU 63N-3	43-047-31097	2900	12-09S-21E	FEDERAL	GW	P
CIGE 61-13-9-21	43-047-30550	2900	13-09S-21E	FEDERAL	GW	P
CIGE 125-13-9-21	43-047-32084	2900	13-09S-21E	FEDERAL	GW	P
NBU 121	43-047-32086	2900	13-09S-21E	FEDERAL	GW	P
NBU 122	43-047-32303	2900	13-09S-21E	FEDERAL	GW	P
CIGE 111D-13-9-21	43-047-32305	2900	13-09S-21E	FEDERAL	GW	P
CIGE 214-13-9-21	43-047-32918	2900	13-09S-21E	FEDERAL	GW	P
NBU 318	43-047-33880	2900	13-09S-21E	FEDERAL	GW	P
NBU 317	43-047-33921	99999	13-09S-21E	FEDERAL	GW	APD
NBU CIGE 60-14-9-21	43-047-30549	2900	14-09S-21E	FEDERAL	GW	P
NBU 65	43-047-31099	2900	14-09S-21E	FEDERAL	GW	P
CIGE 170-14-9-21	43-047-32403	2900	14-09S-21E	FEDERAL	GW	P
CIGE 199-14-9-21	43-047-32801	2900	14-09S-21E	FEDERAL	GW	P
NBU CIGE 91D-15-9-21J	43-047-31151	2900	15-09S-21E	FEDERAL	GW	P
NBU 123	43-047-31974	2900	15-09S-21E	FEDERAL	GW	P
CIGE 163-15-9-21	43-047-32192	2900	15-09S-21E	FEDERAL	GW	P
NBU 191	43-047-32298	2900	15-09S-21E	FEDERAL	GW	P
CIGE 171-15-9-21	43-047-32348	2900	15-09S-21E	FEDERAL	GW	P

## OPERATOR CHANGES DOCUMENTATION

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 06/19/2001
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 06/19/2001
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 06/21/2001
- Is the new operator registered in the State of Utah: YES Business Number: 608186-0143

5. If **NO**, the operator was contacted contacted on: N/A
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 07/10/2001
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 07/10/2001
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: 07/10/2001
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

---

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 07/26/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 07/26/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

---

**STATE BOND VERIFICATION:**

1. State well(s) covered by Bond No.: N/A

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**FEDERAL BOND VERIFICATION:**

1. Federal well(s) covered by Bond No.: WY 2793

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**FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond No: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: \_\_\_\_\_

---

**FILMING:**

1. All attachments to this form have been **MICROFILMED** on: \_\_\_\_\_

---

**FILING:**

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filled in each well file on: \_\_\_\_\_

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**COMMENTS: Master list of all wells involved in operator change from Coastal Oil & Gas Corporation to El Paso Production Oil and Gas Company shall be retained in the "Operator Change File".**

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
El Paso Production Oil & Gas Company

3a. Address  
P.O. Box 1148 Vernal, UT 84078

3b. Phone No. (include area code)  
(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NENE Section 13-T9S-R21E 1072'FNL & 854'FEL

5. Lease Serial No.

U-01193

6. If Indian, Allottee or Tribe Name

Ute

7. If Unit or CA/Agreement, Name and/or No.

Natural Buttes Unit

8. Well Name and No.

NBU #317

9. API Well No.

43-047-33921

10. Field and Pool, or Exploratory Area

Natural Buttes

11. County or Parish, State

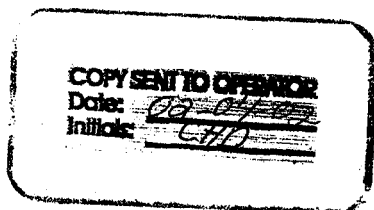
Uintah County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	APD Extension
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

The operator requests that the APD for the subject well be extended for an additional year so that drilling operations may be completed.



Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-04-02  
By: [Signature]

**RECEIVED**

JAN 31 2002

DIVISION OF  
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Sheila Upchego

Title

Regulatory Analyst

Date

January 30, 2002

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

JAN. 17. 2003 3:34PM

WESTPORT

NO. 173

P. 2



## WESTPORT OIL AND GAS COMPANY, L.P.

410 Seventeenth Street #2300 Denver Colorado 80202-4436  
Telephone: 303 573 5404 Fax: 303 573 5409

February 1, 2002

Department of the Interior  
Bureau of Land Management  
2850 Youngfield Street  
Lakewood, CO 80215-7093  
Attention: Ms. Martha Maxwell

RE: BLM Bond CO-1203  
BLM Nationwide Bond 158626364  
Surety - Continental Casualty Company  
Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.  
Conversion of Westport Oil and Gas Company, Inc., into Westport Oil and Gas Company, L.P.  
Assumption Rider - Westport Oil and Gas Company, L.P.

Dear Ms. Maxwell:

Pursuant to our recent conversations, please find the following list of enclosures for the BLM's consideration and approval:

Two (2) Assumption Riders, fully executed originals.  
Copies of Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.  
Copies of Westport Oil and Gas Company, Inc., conversion into Westport Oil and Gas Company, L.P.  
List of all Federal/BIA/State Leases - Belco/Westport's leases - in all states.

Please inform us of any additional information needed to complete the change to Westport Oil and Gas Company, L.P., as operator of record.

I thank you for your assistance and cooperation in this matter. Please do not hesitate contacting the undersigned, should a question arise.

Sincerely,  
Westport Oil and Gas Company, L.P.

Debby J. Black  
Engineer Technician

Encl:



United States Department of the Interior

RECEIVED

BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

FEB 22 2002

DIVISION OF  
OIL, GAS AND MINING

In Reply Refer To:

3106

UTU-25566 et al

(UT-924)

FEB 21 2002

NOTICE

Westport Oil and Gas Company L.P. : Oil and Gas  
410 Seventeenth Street, #2300 :  
Denver Colorado 80215-7093 :

Name Change Recognized

Acceptable evidence has been received in this office concerning the name change of Westport Oil and Gas Company, Inc. into Westport Oil and Gas Company, L.P. with Westport Oil and Gas Company, L.P. being the surviving entity.

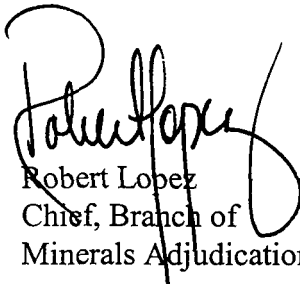
For our purposes, the name change is recognized effective December 31, 2001.

The oil and gas lease files identified have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Westport Oil and Gas Company, Inc. to Westport Oil and Gas Company, L.P.. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Colorado.

UTU-03405  
UTU-20895  
UTU-25566  
UTU-43156  
UTU-49518  
UTU-49519  
UTU-49522  
UTU-49523



Robert Lopez  
Chief, Branch of  
Minerals Adjudication

cc: Moab Field Office  
Vernal Field Office  
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217  
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114  
Teresa Thompson (UT-922)  
Joe Incardine (UT-921)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
El Paso Production Oil & Gas Company

3a. Address  
P.O. Box 1148 Vernal, UT 84078

3b. Phone No. (include area code)  
(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NENE Section 13-T9S-R21E 1072'FNL & 854'FEL

5. Lease Serial No.

U-01193

6. If Indian, Allottee or Tribe Name

Ute

7. If Unit or CA/Agreement, Name and/or No.

Natural Buttes Unit

8. Well Name and No.

NBU #317

9. API Well No.

43-047-33921

10. Field and Pool, or Exploratory Area

Natural Buttes

11. County or Parish, State

Uintah County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	APD Extension
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

The operator requests that the APD for the subject well be extended for an additional year so that drilling operations may be completed.

## CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Sheila Upchego

Title

Regulatory Analyst

Date

January 30, 2002

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Petroleum Engineer

Date

03/27/02

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

**RECEIVED**

APR 02 2002

DIVISION OF  
OIL, GAS AND MINING

006m



El Paso Production  
APD Extension

Well: NBU 317

Location: NENE Sec. 13, T9S, R21E

Lease: U-01193

**Conditions of Approval**

An extension for the referenced APD is granted with the following condition(s):

1. The extension will expire 3/15/03
2. No other extensions beyond that time frame will be granted or allowed.

If you have any other questions concerning this matter, please contact Kirk Fleetwood at (435) 781-4486.

# memorandum

Branch of Real Estate Services  
Uintah & Ouray Agency

Date: 5 December, 2002

Reply to  
Attn of: Supervisory Petroleum Engineer

Subject: Modification of Utah Division of Oil, Gas and Mining Regulations

To: Director, Utah Division of Oil, Gas and Mining Division: John Baza

We have been advised of changes occurring with the operation of your database for Change of Operator. You will be modifying your records to reflect Change of Operator once you have received all necessary documentation from the companies involved, and perhaps in advance of our Notice of Concurrence/Approval of Change of Operator where Indian leases are involved.

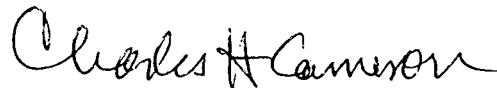
We have no objection.

With further comment to Rulemaking, I wish to comment concerning the provision of Exhibits for upcoming Hearings. I would like to see the Uintah & Ouray Agency, BIA, and the Ute Indian Tribe, Energy & Mineral Resources Department added to the list of those parties that receive advance Exhibits so as to allow us to have research time prior to Hearing dates. We will be able to provide a more informed recommendation to the Oil, Gas and Mining Board. It would be best if we would receive only those Exhibits that concern Indian lands, specifically on or adjacent to Indian lands. This may be a difficult situation to attain, as it is not always clear where 'on or adjacent' occurs.

I am aware that you have gone to extra effort to correct this matter already, and I fully appreciate it. My request is intended only to allow the addition of Uintah & Ouray Agency and Ute Indian Tribe to the official listing.

We appreciate your concern, and hope that these comments are timely enough for consideration in the revision process.

CC: Minerals & Mining Section of RES  
Ute Energy & Mineral Resources Department: Executive Director  
chrono





# United States Department of the Interior

**BUREAU OF INDIAN AFFAIRS**

Washington, D.C. 20240

**FEB 10 2003**IN REPLY REFER TO:  
**Real Estate Services**

Carroll A. Wilson  
Principal Landman  
Westport Oil and Gas Company, L.P.  
1368 South 1200 East  
Vernal, Utah 84078

Dear Mr. Wilson:

This is in response to your request for approval of RLI Insurance Company's Nationwide Oil and Gas Lease Bond No. RLB0005239 executed effective December 17, 2002, (\$150,000 coverage) with Westport Oil and Gas Company, L. P., as principal.

This bond is hereby approved as of the date of this correspondence and will be retained in the Bureau of Indian Affairs' Division of Real Estate Services, 1849 C Street, NW, MS-4512-MIB, Washington, D.C. 20240. All Bureau oil and gas regional offices and the surety are being informed of this action.

In cases where you have existing individual and/or collective bonds on file with one or more of our regional offices, you may now request those offices, directly, to terminate in lieu of coverage under this Nationwide Bond.

Enclosed is a copy of the approved bond for your files. If we may be of further assistance in this matter, please advise.

Sincerely,

Director, Office of Trust Responsibilities

**ACTING**

Enclosure

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☐ OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
El Paso Production Oil & Gas Company

3. ADDRESS OF OPERATOR:  
9 Greenway Plaza CITY Houston STATE TX ZIP 77064-0995 PHONE NUMBER: (832) 676-5933

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

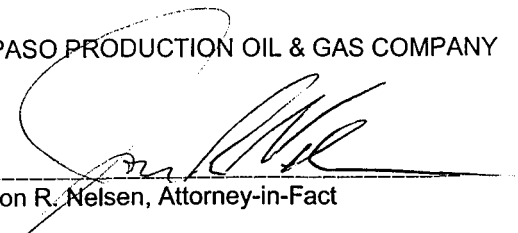
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator change to Westport Oil and Gas Company, L.P., 1670 Broadway, Suite 2800, Denver, CO. 80202-4800, effective December 17, 2002.

BOND # \_\_\_\_\_

State Surety Bond No. RLB0005236  
Fee Bond No. RLB0005238

EL PASO PRODUCTION OIL & GAS COMPANY

By:   
Jon R. Nelsen, Attorney-in-Fact

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

WESTPORT OIL AND GAS COMPANY, L.P.

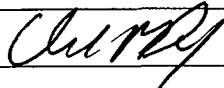
NAME (PLEASE PRINT)

David R. Dix

TITLE

Agent and Attorney-in-Fact

SIGNATURE



DATE

12/17/02

(This space for State use only)



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

IN REPLY REFER TO  
UT-922

February 27, 2003

Westport Oil and Gas Company, L.P.  
Attn: Gary D. Williamson  
1670 Broadway, Suite 2800  
Denver, Colorado 80202

Re: Natural Buttes Unit  
Uintah County, Utah

Gentlemen:

On February 27, 2003, we received an indenture dated December 17, 2002, whereby El Paso Production Oil & Gas Company resigned as Unit Operator and Westport Oil and Gas Company, L.P., was designated as Successor Unit Operator for the Natural Buttes Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective February 27, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Natural Buttes Unit Agreement.

Your nationwide (Colorado) oil and gas bond No. 1203 will be used to cover all operations within the Natural Buttes Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)  
SITLA  
Division of Oil, Gas & Mining  
Minerals Adjudication Group  
File - Natural Buttes Unit (w/enclosure)  
Agr. Sec. Chron  
Fluid Chron  
UT922:TAThompson:tt:02/27/2003

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

Form 3160-5  
(August 1999)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

WESTPORT OIL &amp; GAS COMPANY, L.P.

3a. Address

P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED EXHIBIT "A"

5. Lease Serial No.

SEE ATTACHED EXHIBIT "A"

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

SEE ATTACHED EXHIBIT "A"

9. API Well No.

SEE ATTACHED EXHIBIT "A"

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

## TYPE OF SUBMISSION

- ☐
- Notice of Intent
- 
- ☐
- Subsequent Report
- 
- ☐
- Final Abandonment Notice

## TYPE OF ACTION

- |   |   |  |   |
|---|---|--|---|
| <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off   |
| <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity   |
| <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other |
| <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | SUCCESSOR OF                              |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            | OPERATOR                                  |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed when testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.

WESTPORT OIL & GAS COMPANY, L.P., IS CONSIDERED TO BE THE OPERATOR ON THE ATTACHED DESCRIBED LANDS AND IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR THE OPERATIONS CONDUCTED ON THE LEASED LANDS OR PORTIONS THEREOF, BOND COVERAGE FOR THIS WELL IS PROVIDED BY FEDERAL NATIONWIDE BOND NO. 158626364, EFFECTIVE FEBRUARY 1, 2002, AND BIA NATIONWIDE BOND NO. RLB0005239, EFFECTIVE FEBRUARY 10, 2003.

RECEIVED

MAR 04 2003

DIV. OF OIL, GAS &amp; MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

CHERYL CAMERON

Title

OPERATIONS

Date

March 4, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

Form 3160-5  
(August 1999)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## SUNDRY NOTICES AND REPORTS ON WELLS

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

5. Lease Serial No.

U-01193

6. If Indian, Allottee or Tribe Name

Tribal Surface

7. If Unit or CA/Agreement, Name and/or No.

Natural Buttes Unit

8. Well Name and No.

NBU 317

9. API Well No.

43-047-33921

10. Field and Pool, or Exploratory Area

Natural Buttes

11. County or Parish, State

Uintah County, UT

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

EL PASO PRODUCTION OIL &amp; GAS COMPANY

3a. Address

P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NENE 1072' FNL &amp; 854' FEL

Sec. 13, T9S, R21E

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>DOGM APD Extension</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

Operator requests that an APD extension be granted in order to begin drilling operations.

COPY SENT TO OPERATOR

Date: 03-06-03  
Initials: LHOApproved by the  
Utah Division of  
Oil, Gas and MiningDate: 03-05-03  
By: [Signature]

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Cheryl Cameron

Signature

Title

Operations

Date

March 4, 2003

## THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED

MAR 05 2003

DIV. OF OIL, GAS &amp; MINING

## OPERATOR CHANGE WORKSHEET

## ROUTING

1. GLH

2. CDW

3. FILE

**X Change of Operator (Well Sold)**

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **12-17-02**

<b>FROM: (Old Operator):</b>	<b>TO: (New Operator):</b>
EL PASO PRODUCTION OIL & GAS COMPANY	WESTPORT OIL & GAS COMPANY LP
Address: 9 GREENWAY PLAZA	Address: P O BOX 1148
HOUSTON, TX 77064-0995	VERNAL, UT 84078
Phone: 1-(832)-676-5933	Phone: 1-(435)-781-7023
Account No. N1845	Account No. N2115

CA No.

Unit:

NATURAL BUTTES

## WELL(S)

NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 317	13-09S-21E	43-047-33921	99999	FEDERAL	GW	APD
NBU 318	13-09S-21E	43-047-33880	2900	FEDERAL	GW	P
CIGE 274	13-09S-21E	43-047-34778	99999	FEDERAL	GW	APD
NBU 10	13-09S-21E	43-047-30117	2900	FEDERAL	GW	PA
NBU CIGE 60-14-9-21	14-09S-21E	43-047-30549	2900	FEDERAL	GW	P
NBU 65N3	14-09S-21E	43-047-31099	2900	FEDERAL	GW	P
CIGE 170-14-9-21	14-09S-21E	43-047-32403	2900	FEDERAL	GW	P
CIGE 199-14-9-21	14-09S-21E	43-047-32801	2900	FEDERAL	GW	P
NBU CIGE 45-15-9-21	15-09S-21E	43-047-30528	2900	FEDERAL	GW	P
NBU CIGE 91D-15-9-21J	15-09S-21E	43-047-31151	2900	FEDERAL	GW	P
NBU 123	15-09S-21E	43-047-31974	2900	FEDERAL	GW	P
CIGE 163-15-9-21	15-09S-21E	43-047-32192	2900	FEDERAL	GW	P
NBU 191	15-09S-21E	43-047-32298	2900	FEDERAL	GW	P
NBU 216	15-09S-21E	43-047-32487	2900	FEDERAL	GW	P
CIGE 171-15-9-21	15-09S-21E	43-047-32348	2900	FEDERAL	GW	P
NBU 298	15-09S-21E	43-047-33041	2900	FEDERAL	GW	P
CIGE 216-15-9-21	15-09S-21E	43-047-32920	2900	FEDERAL	GW	P
CIGE 237	15-09S-21E	43-047-33878	2900	FEDERAL	GW	P
CIGE 215-15-9-21	15-09S-21E	43-047-32919	2900	FEDERAL	GW	PA
CIGE 217-16-9-21	16-09S-21E	43-047-32898	2900	STATE	GW	P

## OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/28/2003
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/04/2003
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/06/2003
4. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
5. If **NO**, the operator was contacted on: \_\_\_\_\_



6. (R649-9-2) Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM-12/31/2003 BIA-12/5/02

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 02/27/2003

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 03/11/2003
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/11/2003
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

**STATE WELL(S) BOND VERIFICATION:**

1. State well(s) covered by Bond Number: RLB 0005236

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: 158626364

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: RLB 0005239

**FEE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB 0005238
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

**COMMENTS:**

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# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

June 4, 2003

Cheryl Cameron  
Westport Oil & Gas Co.  
P. O. Box 1148  
Vernal, UT 84078

Re: Notification of Expiration  
Well No. NBU 317  
NENE, Sec. 13, T9S, R21E  
Uintah County, Utah  
Lease No. UTU-01193  
Natural Buttes WS MV

Dear Cheryl:

The Application for Permit to Drill the above-referenced well was approved on March 15, 2001. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until March 15, 2003. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Walker

Legal Instruments Examiner

cc: UDOGM – Diana Mason

RECEIVED

JUN 11 2003

DIV. OF OIL, GAS & MINING



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

June 18, 2003

Cheryl Cameron  
Westport Oil & Gas Company  
P. O. Box 1148  
Vernal, Utah 84078

Re: APD Rescinded – NBU 317, Sec. 13, T.9S, R.21E – Uintah County, Utah,  
API No. 43-047-33921

Dear Ms. Cameron:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 12, 2001. On February 4, 2002 and on March 5, 2003 the Division granted a one-year APD extension. On June 11, 2003 the Division received a letter from the Bureau of Land Management (BLM), which states that the permit filed with the BLM was being returned unapproved as per your request. I contacted you at that time and you requested that the APD filed with the Division be rescinded. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 11, 2003, as requested.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason  
Engineering Technician

cc: Well File  
Bureau of Land Management, Vernal

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
WESTPORT OIL & GAS COMPANY, L.P.

3a. Address  
P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)  
(435) 781-

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Multiple Wells - see attached

5. Lease Serial No.  
Multiple Wells - see attached

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
891008900A

8. Well Name and No.

Multiple Wells - see attached

9. API Well No.

Multiple Wells - see attached

10. Field and Pool, or Exploratory Area  
Natural Buttes Unit

11. County or Parish, State

Uintah County, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

Westport Oil & Gas requests a variance to Onshore Order No. 4, Part IIIC.a. requiring each sales tank be equipped with a pressure-vacuum thief hatch and/or vent line valve. The variance is requested as an economic analysis shows the value of the shrunk condensate will not payout the incremental cost of purchasing and maintaining the valve resulting in a loss of value over the producing life of the well.

The volume lost to shrinkage by dropping the tank pressure from 6 ozs. to 0 psig is shown to be 0.3% of the tank volume. This was determined by lab analysis of a representative sample from the field. The sample shrunk from 98.82% of original volume to 98.52% when the pressure was dropped.

The average NBU well produces approximately 6 bbls condensate per month. The resulting shrinkage would amount to 0.56 bbls per month lost volume due to shrinkage. The value of the shrunk and lost condensate does not recoup or payout the cost of installing and maintaining the valves and other devices that hold the positive tank pressure. An economic run based on the loss and costs is attached.

Westport Oil & gas requests approval of this variance in order to increase the value of the well to the operator and the mineral royalty owners.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

J.T. Conley

Signature

COPY SENT TO OPERATOR  
Date: 9-16-03  
Initials: CHD Date: 9-2-2003

Operations Manager

SEP 10 2003

DIV. OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Federal Approval of This Action Is Necessary

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Date: 9/16/03

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

# Westport Oil & Gas, L.P.

## Project Economics Worksheet

### Instructions:

Fill in blue boxed areas with before and after project data. The evaluation results are shown below and graphed automatically at the bottom of the page. This sheet is protected to prevent accidental alteration of the formulas. See JTC for changes. OPX entered as annual costs and/or as unit OPX costs for \$/BF and \$/MCF

Project Name:

Condensate Shrinkage Economics

Is this job a well pull or production rig job ??? ☐ N (Y or N)

	BEFORE \$/Year	AFTER \$/Year	DIFFERENCE \$/Year
Gross Oil Revenue	\$1,088	\$1,099	\$11
Gross Gas Revenue	\$0	\$0	\$0
NGL Revenue	\$0	\$0	\$0
PULLING UNIT SERVICE			\$0
WIRELINE SERVICE			\$0
SUBSURF EQUIP REPAIRS			\$0
COMPANY LABOR			\$0
CONTRACT LABOR	\$0	\$200	\$200
CONTR SERVICE			\$0
LEASE FUEL GAS	\$0	\$0	\$0
UTILITIES - ELECTRICITY	\$0	\$0	\$0
CHEMICAL TREATING			\$0
MATERIAL & SUPPLY	\$0	\$150	\$150
WATER & HAULING			\$0
ADMINISTRATIVE COSTS			\$0
GAS PLANT PROCESSING			\$0
Totals	\$0	\$350	\$350

Increased OPX Per Year

### Investment Breakdown:

	Cap/Exp Code	Cost, \$
Capital \$	820/830/840	\$1,200
Expense \$	830/860	\$0
Total \$		\$1,200

Oil Price	\$ 23.00	\$/BO
Gas Price	\$ 3.10	\$/MCF
Electric Cost	\$ -	\$/ HP / day
OPX/BF	\$ 2.00	\$/BF
OPX/MCF	\$ 0.62	\$/MCF

### Production & OPX Detail:

	Before		After		Difference
Oil Production	0.192	BOPD	0.194	BOPD	0.002
Gas Production	0	MCFPD	0	MCFPD	0
Wtr Production	0	BWPD	0	BWPD	0
Horse Power		HP		HP	0
Fuel Gas Burned		MCFPD		MCFPD	0

### Project Life:

Life = 20.0 Years  
(Life no longer than 20 years)

### Internal Rate of Return:

After Tax IROR = #DIV/0!

### AT Cum Cashflow:

Operating Cashflow = (\$2,917) (Discounted @ 10%)

### Payout Calculation:

Payout =  $\frac{\text{Total Investment}}{\text{Sum(OPX + Incremental Revenue)}}$  = 1

Payout occurs when total AT cashflow equals investment  
See graph below, note years when cashflow reaches zero

Payout = NEVER Years or #VALUE! Days

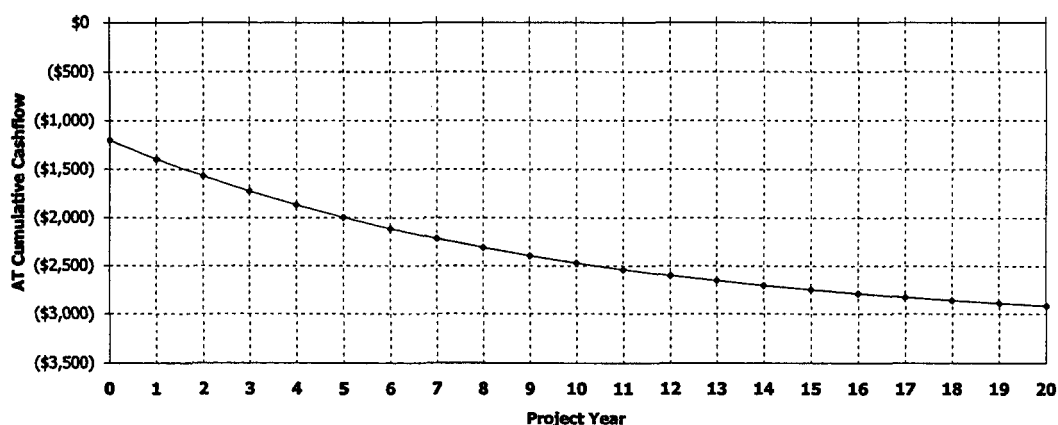
### Gross Reserves:

Oil Reserves = 6 BO  
Gas Reserves = 0 MCF  
Gas Equiv Reserves = 38 MCFE

### Notes/Assumptions:

An average NBU well produces 0.192 Bcpd with no tank pressure. The production is increased to 0.196 Bcpd if 6 ozs of pressure are placed on the tank. The increased production does not payout the valve cost or the estimated annual maintenance costs.

Project: Condensate Shrinkage Economics



# Westport Oil and Gas, Inc.

NBU/Ouray Field

RFL 2003-022

## COMPARISON OF FLASH BACK PRESSURES

Calculated by Characterized Equation-of-State

Flash Conditions		Gas/Oil Ratio ( scf/STbbl ) (A)	Specific Gravity of Flashed Gas ( Air=1.000 )	Separator Volume Factor (B)	Separator Volume Percent (C)
psig	°F				

### Calculated at Laboratory Flash Conditions

80	70			1.019	
0	122	30.4	0.993	1.033	101.37%
0	60	0.0	—	1.000	98.14%

### Calculated Flash with Backpressure using Tuned EOS

80	70			1.015	
6.0 oz	65	24.6	0.777	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
4.0 oz	65	24.7	0.778	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
2.0 oz	65	24.7	0.779	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
0	65	24.8	0.780	1.003	98.82%
0	60	0.0	—	1.000	98.52%

(A) Cubic Feet of gas at 14.696 psia and 60 °F per Barrel of Stock Tank Oil at 60 °F.

(B) Barrels of oil at indicated pressure and temperature per Barrel of Stock Tank Oil at 60 °F.

(C) Oil volume at indicated pressure and temperature as a percentage of original saturated oil volume.

Note: Bubblepoint of sample in original sample container was 80 psig at 70° F with 1 cc water

NBU 200	20-9-21 SENE	UTU0570	891008900A	430473300900S1
NBU 261	30-9-21 SENW	UTU0581	891008900A	430473292800S1 ✓
NBU 262	33-9-21 NEN	UTU0576	891008900A	430473292900S1
NBU 263	34-9-21 SENW	U01194	891008900A	430473279300S1 ✓
NBU 264	1-10-21 SESW	U02842B	891008900A	430473300000S1
NBU 265	2-10-21 NESE	ML13826	891008900A	430473279600S1 ✓
NBU 266	10-10-21 SWNW	UTU0149079	891008900A	430473294100S1
NBU 267	10-10-21 NESW	UTU01416A	891008900A	430473294200S1
NBU 268	11-10-21 NENE	U01190	891008900A	430473300100S1
NBU 269	12-10-21 SWNW	UTU1196D	891008900A	430473347300S1
NBU 270	13-10-21 SWNW	ML23608	891008900A	430473286200S1 ✓
NBU 271	24-10-20 SWNW	UTU4485	891008900A	430473288700S1
NBU 272	11-10-22 SWNE	U01197A	891008900A	430473288900S1 ✓
NBU 273	22-9-21 NWNW	UTU0147566	891008900A	430473290800S1
NBU 274	23-9-21 NESW	UTU149075	891008900A	430473290700S1
NBU 275	9-9-21 NWSW	UTU01188	891008900A	430473290500S1
NBU 277	19-9-22 SENE	UTU0284	891008900A	430473304200S1
NBU 278	30-9-22 SWSW	U463	891008900A	430473301100S1
NBU 280	31-9-22 NESW	ML22935A	891008900A	430473286500S1 ✓
NBU 281	32-9-22 SWSW	ML22649	891008900A	430473286600S1 ✓
NBU 282	32-9-22 NESE	ML22649	891008900A	430473286700S1
NBU 285	3-10-22 NWNW	UTU01191	891008900A	430473297600S1
NBU 286	3-10-22 SENW	UTU01191	891008900A	430473298400S1
NBU 287	3-10-22 NESE	UTU01191A	891008900A	430473298500S1
NBU 288	3-10-22 NWSW	UTU01191	891008900A	430473298600S1
NBU 289	3-10-22 SESW	UTU01191	891008900A	430473291000S1
NBU 290	3-10-22 SWSE	UTU01191A	891008900A	430473298700S1
NBU 291	9-10-22 NENE	UTU01196D	891008900A	430473291100S1
NBU 292	9-10-22 SWNE	UTU1196D	891008900A	430473347400S1
NBU 293	10-10-22 SENE	UTU025187	891008900A	430473318200S1
NBU 294X	22-9-20 NENW	UTU0577B	891008900A	430473346500S1
NBU 295	12-10-20 SWSW	UTU4478	891008900A	430473293900S1
NBU 296	24-10-20 NWNE	UTU4485	891008900A	430473288600S1
NBU 297	11-9-21 SWNW	UTU0141315	891008900A	430473304000S1
NBU 298	15-9-21 NESW	UTU01188	891008900A	430473304100S1
NBU 299	16-9-21 SWNE	ML3282	891008900A	430473301200S1
NBU 300	21-9-21 NWNW	UTU0576	891008900A	430473302300S1
NBU 301	25-9-21 NWSW	U01194	891008900A	430473285900S1 ✓
NBU 302	26-9-21 SWNW	U01194	891008900A	430473287700S1 ✓
NBU 303	26-9-21 SESE	ML22934	891008900A	430473287800S1 ✓
NBU 304	27-9-21 SESE	U01194A	891008900A	430473287900S1 ✓
NBU 305	27-9-21 SWSE	U01194A	891008900A	430473288000S1 ✓
NBU 306	27-9-21 NWNW	U01194A	891008900A	430473286000S1 ✓
NBU 307	28-9-21 NWNE	U05676	891008900A	430473300700S1
NBU 308	28-9-21 SENW	U05676	891008900A	430473314300S1
NBU 309	30-9-21 NENE	UTU0581	891008900A	430473301000S1
NBU 310	35-9-21 NENW	U01194	891008900A	430473288200S1 ✓
NBU 311	4-10-22 NESE	UTU01191	891008900A	430473283700S1
NBU 312-E2	2-9-21 SWSE	UTU21510	891008900A	430473228800S1 ✓
NBU 313	4-10-22 NENW	UTU01191A	891008900A	430473283800S1
NBU 315	11-9-21 SENE	UTU0141317	891008900A	430473387900S1
NBU 316	11-9-21 SWNE	UTU0141317	891008900A	430473441300S1
NBU 317	13-9-21 NENE	U-01193	891008900A	430473392100S1
NBU 318	13-9-21 SWNE	UTU01193	891008900A	430473388000S1
NBU 320	25-9-21 NWNW	U01189	891008900A	430473320100S1
NBU 321	26-9-21 SWSW	U01194	891008900A	430473320200S1 ✓
NBU 322	34-9-21 SESW	U01994	891008900A	430473320300S1 ✓
NBU 323	30-9-22 NENE	U-463	891008900A	430473405000S1
NBU 326	31-9-22 NESW	ML22935A	891008900A	430473320400S1 ✓
NBU 327	33-9-22 SWSE	UTU01191	891008900A	430473373500S1
NBU 329	1-10-21 NESW	UTU02842B	891008900A	430473322700S1
NBU 330	3-10-21 NENE	UTU0149078	891008900A	430473322800S1
NBU 331	3-10-21 NWNE	UTU0149078	891008900A	430473322900S1